

FIRST AMERICAN TITLE INSURANCE COMPANY

Commitment No. ET14914

SCHEDULE B - SECTION I

The following requirements must be met:

- (a) Pay the agreed amounts for the interest in the land and/or the mortgage to be insured.
- (b) Pay us the premiums, fees and charges for the Policy.
- (c) Documents satisfactory to us creating the interest in the land and/or mortgage to be insured must be signed, delivered and recorded.
- (d) You must tell us in writing the name of anyone not referred to in this Commitment who will get an interest in the land or who will make a loan on the land. We may then make additional requirements or exceptions.
- (e) Contract of Sale. If contractual rights or interest survive the contract of sale that are paramount to the interests of insured, then proof must be furnished.
- (f) Construction Mortgages. Prior to each advance, company must be notified to continue searches and survey and report results. With each advance, proofs must be obtained from owner and contractor establishing use of the construction funds in the building as required by statute to give priority to mortgage insured. N.J.S.A. 2A:44-89.
- (g) Resolution of Board of Directors. Where there is a corporate grantor or mortgagor in the transaction insured, a certified copy of the Resolution of the Board of Directors authorizing the action involved must be furnished.
- (h) Marital History. Proof required by Affidavit as to the marital history of the sellers. If there has been a divorce, forward a true copy of the judgment and of any provisions therein which relate to premises in question.
- (i) Notice of Settlement. To effect insurance coverage against unknown interests attaching during the gap period between the rundown for closing and the recording of the closing instruments, an effective Notice of Settlement must be filed.
- (j) Owner Insurance. If only a Mortgage Policy is ordered on residential property, N.J.S.A. 46:10A-3 requires that the owner must sign a statement indicating that he has been advised of the availability of owner insurance but has declined to obtain it.
- (k) Closing Title. Please notify the Company at least two (2) days in advance of the closing date to continue the searches from the date of this Commitment in order to report any change in title conditions.

After the title closes notify company and advise as to the disposition of items in the Commitment and furnish Affidavit of Title and other requirements. This will expedite the checking of the recordings and issuance of the title policy.

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SCHEDULE B - SECTION II

EXCEPTIONS

Any policy we issue will have the following exceptions unless they are taken care of to our satisfaction:

- (1) Rights or claims of parties in possession of the land not shown by the public record.
- (2) Easements, or claims of easements, not shown by the public record.
- (3) Any facts about the land which a correct survey would disclose, and which are not shown by the public record.
- (4) Any liens on your title, arising now or later, for labor and material, now shown by the public record.
- (5) Taxes, charges and assessments. / Policy will insure taxes paid thru 4th quarter 1994, land only.

THE INSURED PREMISES ARE UNDER A TAX ABATEMENT PROGRAM UNDER A FINANCIAL AGREEMENT WITH THE CITY OF NEWARK, A COPY OF WHICH IS INCLUDED IN THE FIFTH AMENDMENT TO THE MASTER DEED. UNDER THIS AGREEMENT THE AMOUNT OWED TO THE CITY WILL BE 2% OF THE DEED PRICE OF THE UNIT PLUS 2.5% OF THE 2% FOR ADMINISTRATION COSTS. THESE LEVIES WILL BE PAID TO THE CITY OF NEWARK ON A QUARTERLY BASIS.

NOTE: NEW CONSTRUCTION.

6. Subject to New Jersey Superior Court and U.S. District Court searches which show: ATTACHED VS. SELLERS; ATTACHED VS. PURCHASERS.
7. NOTE: It is hereby certified that the purchasers of the premises in question have been searched for all judgments in the Essex County Clerk's Office twenty years last past and none found of record.
8. Subject to the following Mortgages: None.
9. Delivery of a certified copy of resolution authorizing K. Hovnanian at Newark Urban Renewal Corporation III, Inc. to convey premises in question.
10. Production of and receipt of affidavit of Title from purchasers and sellers.

CONTINUED....

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Commitment No. ET14914

SCHEDULE B - SECTION II
(Continued)

DISPOSITION

11. Terms, provisions, conditions, restrictions and easements contained in the Master Deed and By-Laws of Society Hill at University Heights III, A Condominium recorded in Deed book 5151, page 509, and as amended in Deed book 5151, page 611, and by Second Amendment to Master Deed recorded in Deed Book 5160, page 593 and by Third Amendment to Master Deed recorded in Deed Book 5183, page 481, and by Fourth Amendment to Master Deed recorded in Deed Book 5199 page 213, and by Fifth Amendment to Master Deed recorded in Deed Book 5245 page 318 and by Sixth Amendment to Master Deed recorded in Deed Book 5324 page 175 as the same may be now or hereafter lawfully amended/ATTACHED. The loan policy will insure the premises forms a part of a validly created condominium pursuant to N.J.S.A. 46:8B-1 et seq.
"Said restrictions have not been violated and a future violation will not cause a forfeiture or reversion of title."
"The building does not encroach upon the easements and said easements do not affect the use and occupancy of the premises."
12. Easement granted to Public Service Electric & Gas Co. & New Jersey Bell Telephone recorded in Deed Book 5236 page 615. "The building does not encroach upon the easements and said easements do not affect the use and occupancy of the premises."
13. Easement recorded in Deed Book 5245 page 307. "The building does not encroach upon the easements and said easements do not affect the use and occupancy of the premises."
14. Mortgage policy insure that the mortgage to be insured is a valid first mortgage lien on the premises described herein
IF APPLICABLE: Policy will insure that the mortgage to be insured is a valid first mortgage lien on the premises described herein in accordance with the definition contained in N.J.S.A. 17:12B-11 of the Savings & Loan Act.
15. Mortgage policy, when issued, will contain the Alta 4 Condominium Endorsement.
16. Mortgage policy, when issued, will contain the Alta 8.1 Environmental Protection endorsement.
17. Mortgage policy, when issued, will contain the Alta 6 Variable Rate Endorsement. If Applicable.

NOTE: This unit is an Affordable Housing Unit and subject to the terms and conditions as set forth in the Master Deed for Society Hill at University Heights III, a Condominium.

END.

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